

16 May 1983

## MEMORANDUM FOR THE RECORD

SUBJECT: Status Meeting on the Disposition of the SAFE  
Project's Excess Burroughs Computer Systems.

1. Mr. Philip A. Schlimgen, the Burroughs Corporation Intelligence Community Accounts Manager, visited CIA on 13 May 1983 at the Government's invitation to discuss the disposition of the SAFE Project's excess Burroughs computer systems. Government participants were: [redacted] the Contracting Officer for the SAFE Project; [redacted] Chief, Policy and Plans Group, Management Staff and myself.

2. The purpose of the meeting was to:

A. Provide notification to Burroughs Corporation of the July 1983 closing of the TRW SAFE Development Facility (DF) in Torrance, California and the need to relocate, prior to the closing, the three Burroughs B6900 computer systems located at the DF that have not been reassigned to other Government installations.

B. Discuss the status of Burroughs Corporation's and the Government's mutual efforts to place the excess Burroughs systems within the Intelligence Community (IC) or within government organizations acceptable to Burroughs Corporation.

C. Develop a plan for closing out the Agency's direct placement efforts within the IC for the four remaining B6900 systems that are not yet reassigned. Mr. Schlimgen and myself had both telephonically expressed our concern that further IC placement possibilities for the four remaining systems are not good.

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#### BACKGROUND

3. TRW, the SAFE Development Contractor, awarded a contract to Burroughs Corporation in 1980 to provide the SAFE hardware. In mid-1982, the DCI and D/DIA, upon the recommendation of an inter-agency audit team, redirected the consolidated SAFE development effort to a less risky approach that would provide an earlier capability for both CIA and DIA, and would build upon existing software available through CIA's operational Interim SAFE capability. The new approach required IBM-compatible hardware, causing the Burroughs computer hardware to become excess to SAFE Project requirements. TRW was directed to terminate the Burroughs Corporation contract to provide the SAFE hardware. The final settlement for the termination of the Burroughs/TRW SAFE contract was completed in the spring of 1983. Although the Mutual Release and Settlement Agreement between TRW and Burroughs does not explicitly state any Government obligation to assist in the reassignment of the hardware within the IC, communications during the final settlement process between the Government, TRW and Burroughs Corporation committed the Government to a best effort level of assistance to achieve that goal. The attached letter to Mr. Stuart Johnson of Burroughs Corporation from TRW (83.35656.06-036) spells out the level of the Government's commitment.

#### MEETING SUMMARY

4. I opened the meeting with a review of the inventory of Burroughs systems and the status of their placement. There were ten B6900 minicomputers and one Dual B7800 computer in the SAFE inventory at contract settlement. There now are placement commitments for six of the ten B6900 systems and for the Dual B7800 system. Three of the four B6900 systems currently not placed are located at the TRW DF in Torrance, California, and the other system is located at Burroughs Corporation's Paoli, Pa. facility.

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5. Working notes were provided (attached) to review several of the IC contacts Mr. Schlimgen's predecessor, Mr. Donald Cole, and myself, had pursued. Mr. Schlimgen observed that he knew of no active leads in the IC to pursue at the present time and, in fact, due to a staff shortage, he foresees difficulty in committing additional resources to the placement of the excess systems. Mr. [redacted] and I both observed that we also knew of no active leads in the IC. [redacted] further expressed the view that the possibility of placing the remaining four systems in the IC in a reasonable time frame is now remote and there is a pressing need to move three of the systems from the DF prior to the July closing date. He further stated that unless Burroughs Corporation is willing to pick up the cost of off-site storage of the systems, the Government plans to release the systems to the General Services Administration (GSA) for placement. (GSA has the Government-wide responsibility for the placement of excess ADP equipment.) In the spirit of the Government-Burroughs Corporation IC placement agreement, we stated we would ask GSA to provide preference to IC members interested in acquiring the systems. Mr. [redacted] also observed that once the systems are released to GSA, the Agency would have no further control of the equipment. I stated that the GSA approach would provide the widest announcement within Government, including the IC, of the availability of the systems. Mr. Schlimgen was also advised that the decision to release the systems to GSA must be made quickly to provide GSA the necessary lead time to relocate the systems from the DF.

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[redacted]

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arrangement would have to be considered in the context of a competitive procurement and only if Burroughs were to be selected could an exchange be considered. More importantly, [redacted] continued, we are aware of no such procurement effort, ongoing or planned, within ODP or the Agency in the near future. Furthermore, there would not be sufficient time due to the imminent DF closing to identify requirements and run a competitive procurement. Mr. Schlimgen was somewhat insistent that sole source procurements in exchange/sale arrangements were possible under these circumstances. [redacted] reemphasized again that we are not, at this time, aware of any requirements for hardware in the Agency for which Burroughs Corporation is a candidate supplier. [redacted] stated that the exchange/sale proposal would have been more productively put forward in mid-1982, when we began to announce the availability of the systems.

7. Mr. Schlimgen said that he could also pursue exchange/sale possibilities with other IC members. That is, CIA could provide the B6900 equipment to another Agency and they would in turn enter into an exchange/sale agreement with Burroughs for other equipment. [redacted] stated that we had no problem with his pursuing this possibility but that the equipment must be moved from the DF before the July closing and that Burroughs would have to pay for storage of the equipment until exchange/sale of the equipment was completed. [redacted] also stated that the Government would not be willing to defer disposition of the systems beyond 1 October 1983, even if Burroughs Corporation were to pay storage for the systems. The systems are a Government resource, he stated, and it is a waste of the Government's money not to put the systems into productive use as soon as possible.

8. Mr. Schlimgen asked for the Government's position on moving the B6900 currently at the Burroughs Corporation's Paoli plant to their McLean, Virginia office for installation as a demonstration system. [redacted] stated that we have no problem with Burroughs Corporation installing the system in the McLean facility. The system, however, would be included on the list we forward to GSA.

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and is subject to placement at any time. Under no conditions, he further stated, would the system be held under Burroughs Corporation's control beyond 1 October 1983.

9. Mr. Schlimgen observed that he got the feeling that the Agency did not wish to deal with Burroughs Corporation and he sensed a full cooperative spirit was not present. [REDACTED] responded to the observation by stating that he had recently been reassigned to the SAFE Project as the Contracting Officer and was present during the settlement activities and that whatever had occurred before was over and finished with the signing of the final contract settlement. Both Burroughs Corporation and TRW, with the Government's concurrence, signed the agreement and it is finished and in the past. As far as Burroughs Corporation doing business with the Agency in the future, there is nothing to prohibit Burroughs Corporation from bidding on new contracts and they, of course, would be fairly and impartially treated. Mr. Schlimgen did not directly respond, but did not appear fully satisfied.

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10. Mr. Schlimgen stated that he would like to open up the possibility of other Burroughs Corporation Government marketing activities looking for suitable requirements among non-IC agencies that could be fulfilled with the four available systems. He stated that he would be meeting with representatives of the other activities and also the overall Federal Marketing Manager the following week. It was agreed that he would get back to the Government by mid-week.

#### SUMMARY

11. In summary, Burroughs Corporation is now aware of the urgency of moving the excess systems from the DF due to closing of the facility. Mr. Schlimgen has four options to pursue for disposition of the systems in the DF: 1) development of an exchange/sale agreement with another IC member requiring transfer of the systems between the Agency and the IC member (the Agency

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exchange/sale possibility was, in effect, rejected by the Government attendees); 2) arranging for another marketing component in Burroughs to place the system in a non-IC Agency; 3) placing the systems in storage at Burroughs expense while continuing to look for placement options (the deadline for placement would be 1 October 1983); or 4) do nothing and the Government will release the systems to GSA. These options also apply to the remaining unassigned B6900 system located at Burroughs Corporation's Paoli, Pa. facility.

12. The meeting adjourned with Mr. Schlimgen obviously not being entirely satisfied with the above set of options. We await his call during the week of 16 May on other placement possibilities.



Policy and Plans Group,  
Management Staff, ODP

Attachments: a/s

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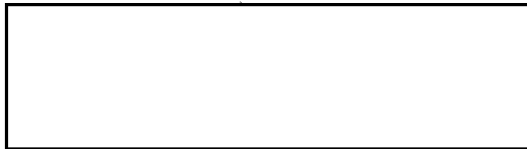
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CONCUR:

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14 May 83

Date

Chief Policy and Plans Group,  
Management Staff, ODP

CONCUR:

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127/83

Date

Contracting Officer,  
Consolidated SAFE Project Office,  
Special Projects Staff, ODP

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ODP/MS

DISTRIBUTION:

- ✓ Orig - SAFE Excess Burroughs Equipment (Subject File) *W/ATT*
- 1 - D/ODP *W/ATT*
- 1 - C/SPS *W/ATT*
- 1 - C/MS *W/ATT*
- 1 - C/P&PG *W/ATT*
- 1 - CO/CSPO *W/ATT*
- 2 - ODP Registry *W/ATT*
- 1 - MS Chrono *W/ATT*

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Working Notes Attachment

13 May 1983

Summary of Contacts

15 August 82 - Telephonically notified the Intelligence Community Staff (ICS) of the availability of the Burroughs Systems.

27 August - Provided inventory list [ ] the Chairman of The Information Handling Committee, ICS, requesting under the Director of Data Processing (D/ODP) signature, that he disseminate throughout the IC.

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STAT A captain [ ] of the Naval Security Group expressed interest in several B6900 systems - Don Cole followed-up but prospect fell through.

Mr. Fitzwater, CIA's Deputy Director for Administration, telephonically communicated the systems availability to his counterpart at NSA, [ ] and requested his assistance in finding places for the equipment in the IC.

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A follow-up letter under D/ODP's signature was forwarded to NSA with equipment inventory list.

30 August - The available of the systems were circulated to internal CIA components - no requirements were surfaced that could be met by the Burroughs Systems.

20 September - John Kebayias of NSSC (Non-IC) expressed interest in acquiring any Burrough equipment in general. (note - as of spring of 83 he is still interested but only in peripherals). He manages 22 worldwide computer centers that employs Burroughs equipment.

STAT October - [ ] of Hqs INSCOM, ASA, Arlington Hall, expressed interest in a B6900 for overseas locations but could not get funding necessary for software and site.

RS01 at DIA expressed interest in acquiring a B6900 but unable to justify funding for site and software. (Col Hamilton of DIA generated interest by passing word of system availability throughout DIA).

NSA relayed name of individual at Air Force Electronic Systems Command at Kelly AFB who had interest in B6900. However, the requirement fell through later.

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Working Notes Attachment

STAT December -- [ ] the Navy Continental Security Group of the Naval Security Group express interest in B6900s. Don cole followed-up but requirements fell through.

March 83 - Defense Mapping Agency was provided equipment listing and were requested to pass word of availability to other DMA installations.

May 83 - Defense Logistic Agency (non-IC) - a Bill Presher called and expressed interest. He was referred to Don Cole.

#### Status of the Burroughs Systems

There were 11 systems in the SAFE inventory - 7 systems have been reassigned and 4 systems have yet to be reassigned:

1. The B7800 (Dual) at the DF is being acquired by NSA.
2. The CIA Hqs B6900 is being acquired by NSA.
3. A B6900 is being retained by DIA.
4. Two B6900s at the DF is being acquired by NSSC (NELO).
5. Two B6900s at Paoli, Pa. is being acquired by Defense Mapping Agency.
6. One B6900 at Paoli, Pa. is unassigned.
7. Three B6900s located at the DF are unassigned.

Software & Information  
Systems Division  
TRW Defense Systems Group

One Space Park  
Redondo Beach, CA 90278  
213.536.3525

83.35656.06-036  
3 February 1983

Mr. Stuart Johnson  
BURROUGHS CORPORATION  
7925 Jones Branch Drive  
McLean, Virginia 22102

**SUBJECT:** Placement of the Burroughs Computer Systems

**REFERENCE:** Final Settlement of the Burroughs/TRW SAFE  
Subcontract J20770YMOS and all Associated  
Purchase Orders.

Dear Mr. Johnson:

The Sponsor has informed TRW that subsequent to the successful completion of the referenced settlement, the below listed Burroughs Computer Systems, which were procured for the SAFE Project, will be placed within the Intelligence Community at the following locations:

National Security Agency (NSA)

One (1) Dual 7800 System  
One (1) B6930 System

Naval Engineering Logistics Office (NELO)

Two (2) B6930 Systems

National Security Group (NSG)

Three (3) B6930 Systems


Regarding the remaining Computer Systems, the Sponsor has agreed to make a best efforts attempt to place them within the Intelligence Community as appropriate.

It must be noted that the placement of the Computer Systems is not under the full control of the Sponsor. Should any of the Systems indicated above not be successfully placed within the Intelligence Community components, the Sponsor has agreed to make a best efforts attempt to place them in other agencies of the Intelligence Community as appropriate.

83.35656.06-036  
3 February 1983  
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Subsequent to the placement of the Computer Systems, TRW will prepare and issue a press release regarding the redirection of the SAFE Project and Burroughs Computer Systems.

Sincerely yours,

  
R. D. Williams  
Vice President and General Manager  
Software and Information Systems Division  
TRW Defense Systems Group

RDW/ER/jf



P. O. Drawer 740  
Corpus Christi, Texas 78408

**TRW**

ONE SPACE PARK REDONDO BEACH, CALIFORNIA 90278

No. 23295

DATE Feb. 9 1983

PAY EXACTLY \* \* \* \* \* 1,700,000 \* \* \* \* \* DOLLARS AND 00

CENTS \$1,700,000.

TO  
THE  
ORDER  
OF

Burroughs Corporation  
P.O. Box 8068-1331  
Philadelphia, PA 19177

**TRW**

DISBURSING ACCOUNT

*[Signature]*

⑆023295⑆ ⑆11492149⑆ ⑆18⑆712⑆7⑆

*Check received E. A. Londo 2/14/82  
Mgt. Contract Admin.  
Burroughs Corporation*

17 May 1983

MEMORANDUM FOR THE RECORD

SUBJECT: BURROUGHS EQUIPMENT

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ATTENDEES:



Phil Slimgin Burroughs Marketing rep

The purpose of the meeting was to advise Slimgin that the Agency had done all they could re placement of the machines ie, the four remaining B6900s in the intelligence community as we had promised in the final settlement. We wanted to know if they had any more leads that they could give us. We also stated that we were going to close down the development facility in California on 31 July 83 and that all the machines had to be out by then. We said that we intended to notify GSA that the machines were excess to our needs on 1 June.

Slimgin countered with the idea that since the Burroughs objective was to market to the intelligence community, would we be interested in a sale exchange whereby the B6900 would be exchanged for a sizeable order of micro workstations. We discussed the Tempest problem. Burroughs has only one model that is tempest qualified but he really didn't want to sell us that. He was interested in the next version. We stated that we really didn't have any requirements at the moment; that a procurement of this size would almost surely have to be competed; and that requirements analysis to procurement would be at least 9 months. This was outside the timeframe we had to work in. At this point Slimgin got upset and stated that we were taking a hard line toward Burroughs and were really not interested in creative solutions. At this point I stated that I had been a party to the settlement analysis and negotiations since Oct/Nov. Both of our managements had agreed to the settlement as written and that was what we were trying to deal with...the placement of the machines. We did not have any negative attitude toward Burroughs. I felt sure that if there were any competitive procurements that they could be place on the bidders list.

The meeting closed with Slimgin reporting to his division management on Monday of next week. This report would request permission to open up the placement of the machines to other marketing reps within Burroughs. (as an aside, Slimgin indicated it had not be done as yet, and that further he himself did not have the people do the marketing!) He would report back to us by next Wednesday.

It is my opinion that Slimgin or his management will seek an audience with Mr Fitzwater [REDACTED] Further, I expect that he will take the list of contacts that Mark gave him and state that we have not done our best to place the machines.

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Mark, Rich, and I agreed to maintain close communications.

[REDACTED]

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